

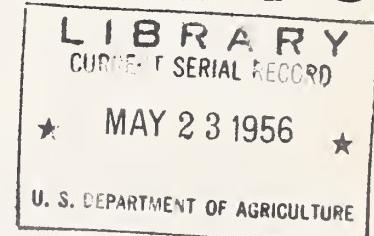
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# Foreign CROPS AND MARKETS



FOR RELEASE MONDAY, MAY 21, 1956

VOLUME 72

NUMBER 21

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UNITED STATES DEPARTMENT OF AGRICULTURE

FOREIGN AGRICULTURAL SERVICE

WASHINGTON 25, D.C.

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FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U. S.

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**RHODESIAN TOBACCO SALES  
REOPEN ON LOWER AVERAGE**

The Salisbury flue-cured auction reopened on April 20. Five and one-half million pounds were sold the following week at a slightly lower average than before the market closed -- the equivalent of 36.9 United States cents per pound compared with 38.6 cents before closing and 47.2 cents during the 1955 sales season. This has been largely due to the lower quality of leaf offered for sale. Better grades are reaching the market now and some improvement in price is expected.

It is believed in Rhodesia that the earlier estimate of  $157\frac{1}{2}$  million pounds was too high. Present opinion is that the crop will be closer to 150 million pounds as heavy rains have reduced much of the late harvesting.

The Limbe market in Nyasaland opened April 24. Flue-cured tobacco sold during the first two days averaged the equivalent of 29.5 United States cents per pound for 240 thousand pounds, 2.5 cents below the 1955 average of 32.0 cents. Fire-cured tobacco averaged 19.6 United States cents per pound, slightly above the average of 19 cents during the 1955 season. Rains and storms have caused some loss in Nyasaland tobacco, possibly as much as 2 million pounds. All types have suffered some loss, but fire-cured tobacco seems to have been hit hardest.

While the sales were suspended, representatives of the Rhodesian Tobacco Marketing Board talked in London with the Tobacco Advisory Committee of the United Kingdom Board of Trade. The auctions were suspended and discussions were conducted because Rhodesian producers felt that buyers from the United Kingdom (their largest market) were not paying adequate prices for this year's leaf.

United Kingdom tobacco manufacturers will buy the amount of Rhodesian flue-cured specified in the purchase agreement, if there is enough tobacco of satisfactory quality. Increasing competition in the United Kingdom market makes manufacturers unwilling to acquire leaf not regarded of suitable quality.

Federation production and export of Turkish tobacco is expected to increase. Approximately 250 thousand pounds were exported in 1955 and it is estimated that more than twice that amount will be exported in 1956. Most of the increased production for harvest this year is grown under contract for sale to purchasing company.

**FINNISH CIGARETTE OUTPUT  
CONTINUES TO RISE**

Cigarette output in Finland in 1955 totaled 5.7 billion pieces, compared with 5.5 billion in 1954. Production of cigarettes in 1955 was 34 and 45 percent greater than the annual averages of 1947-51 and 1935-39, respectively.

BRAZILIAN CIGARETTE  
OUTPUT UP

Cigarette output in Brazil continued its upward trend through 1955. Cigarette production in 1955 totaled 45.2 billion pieces in contrast to an average of 13.4 billion during 1935-39. Output of cigars is reported to be declining. A number of cigar manufacturers have been forced to suspend production because of increasing costs, and reduced sales.

COSTA RICA'S CIGARETTE  
OUTPUT CONTINUES UPWARD

Cigarette output in Costa Rica in 1955 totaled 1,080 million pieces as compared with the annual averages of 834 and 314 million in 1947-51 and 1935-39, respectively. The output of cigars has declined, and amounted to about 6 million pieces during 1955 in contrast to 8 million prewar.

SPAIN'S TOBACCO IMPORTS  
UP 17 MILLION POUNDS

Imports of unmanufactured tobacco by the Spanish Tobacco Monopoly in 1955 totaled 52.6 million pounds, 17 million pounds greater than the 1954 level of 35.6 million pounds, but 3.9 million pounds below the postwar high of 56.5 million pounds in 1947. Most of the increase occurred in larger takings from the Dominican Republic, Brazil, Cuba, Philippine Republic, British East Africa and the United States. Takings of oriental tobaccos from Greece and Turkey were about .5 million pounds larger than 1954. Prior to 1954, imports from Paraguay were substantial, but during 1955 they were nil. Imports from India and the Union of South Africa were also substantially below the 1954 levels.

SPAIN: Imports of unmanufactured tobacco during 1955,  
with comparisons

Country of Origin	:	1953	:	1954	:	1955 <u>1/</u>
	:	<u>1,000 pounds</u>	:	<u>1,000 pounds</u>	:	<u>1,000 pounds</u>
United States.....	:	2,666	:	4,079	:	4,960
Brazil.....	:	6,619	:	8,165	:	11,841
Cuba.....	:	6,221	:	9,063	:	10,639
Dominican Republic.....	:	5,619	:	481	:	11,964
Greece.....	:	2,329	:	131	:	219
Philippine Rep. ....	:	22,445	:	10,466	:	11,492
Turkey.....	:	1,670	:	164	:	551
British East Africa.....	:	-	:	567	:	781
Other.....	:	2,595	:	2,513	:	142
Total.....	:	50,164	:	35,629	:	52,589

1/ Preliminary

**DOMINICAN TOBACCO INSTITUTE  
FIXES MINIMUM PRICE TO GROWERS**

The Tobacco Institute in the Dominican Republic following a recent meeting established a minimum price to be paid to growers equivalent to 7.73 United States cents per pound for the 1956 crop. It was also decided at this meeting that measures should be undertaken to stimulate and provide greater responsibilities to the activities of the Institute. The Institute, which has been rather inactive since its creation in 1954, was created to improve handling and harvesting of tobacco, to maintain just prices, to publicize Dominican leaf in foreign markets, to seek a solution to transportation problems and to collect and maintain a reliable series of statistical data on tobacco.

**COLOMBIAN TOBACCO  
EXPORTS DOWN**

Colombian exports of unmanufactured tobacco in 1955 totaled 9.9 million pounds -- down 13.2 percent from the 1954 record high of 11.4 million pounds. Shipments to all principal export outlets, except France and Tunisia, declined from the 1954 levels. Combined shipments to France and Tunisia increased about 18 percent over the 1954 total of 2.2 million pounds.

**COLOMBIA: Exports of unmanufactured tobacco  
during 1955, with comparisons**

Country of Destination	1953	1954	1955 <u>1/</u>
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Western Germany.....	7,031	6,219	5,719
France.....	1,971	2,108	2,391
Algeria.....	171	677	626
Indochina.....	805	683	211
Morocco.....	243	320	176
Tunisia.....	-	90	196
Belgium.....	126	176	114
Netherlands.....	722	701	301
Others.....	12	417	126
Total.....	11,081	11,391	9,860

1/ Preliminary

**INDIA'S 1955 VEGETABLE OIL EXPORTS SET RECORD;  
1956 EDIBLE OIL FEED PRODUCTION DOWN**

India's exports of edible oils are expected to decline in the current calendar year. Reduced stock levels following 1955's record exports (especially of peanut oil) and the smaller recently harvested crops of both peanuts and sesame seeds have driven prices up sharply from the mid-1955 levels. Barring a less liberal Government export policy, 1956 exports of industrial oils (linseed and castor) may not be much lower than last year's all-time high, since 1955-56 output of both crops is estimated to be close to the previous crop year's.

India's production of edible oilseeds in the current crop year will be somewhat less than last year's. Of major significance is the 8 percent decline from 1955 in the peanut harvest. There are also estimated declines for sesame and cottonseed, of which only a minor portion is crushed for oil. Only the rape-and-mustard seed crop is estimated larger than last year, and that only slightly.

Production of industrial oil (castor and linseed) is estimated to be only a little larger than in 1954-55.

**INDIA; Estimated acreage and production of specified oilseeds, 1954-55 and 1955-56**

Crop	Acreage		Production	
	1954-55	1955-56	1954-55	1955-56
	<u>Thousand acres</u>		<u>Thousand short tons</u>	
Peanuts.....	13,548	: 12,585	: 4,623	: 4,260
Sesame.....	6,460	: 1/ 5,880	: 663	: 1/ 543
Castorseed.....	1,394	: 1,462	: 139	: 141
Rape and mustard seed.....	5,665	: 1/ 5,700	: 1,077	: 1/ 1,086
Flaxseed.....	3,290	: 1/ 3,300	: 435	: 1/ 437
Cottonseed.....	-	: -	: 1,684	: 1,568

1/ Unofficial.

Alltime export records were set for each of the major oils in 1955. Peanut oil shipments were  $2\frac{1}{2}$  times the previous high in 1951 with most of the oil going to the Netherlands, Burma and Belgium. Linseed oil exports (virtually all to the United Kingdom) rose to double the 1952 record. Total shipments of castor oil were over 25 percent larger than in 1952. The United States took most of the castor oil, followed by the United Kingdom. While 1955 exports of oils as such marked an all time record, average annual exports of peanuts and flaxseed in terms of oil during the 20-year period 1909-38 actually exceeded 1955 exports of flaxseed oil and of peanuts and peanut oil.

## INDIA: Exports of major vegetable oils, 1950-55

(1,000 Short tons)

Commodity	1950	1951	1952	1953	1954 1/	1955 1/
Castor oil.....	22.1	29.8	37.3	31.5	26.0	49.0
Peanut oil.....	37.5	79.2	66.0	17.2	31.0	178.4
Linseed oil.....	6.4	20.0	36.6	8.2	3.2	73.1
Rapeseed oil.....	.1	4.7	9.3	.2	.5	.9
Sesame oil.....	-	-	2/	2/	2/	4.4

1/ Preliminary. 2/ Less than 50 tons.

Note: Exports of castor beans and flaxseed are prohibited. Though end-year data is not yet available, it is the belief at this time that there were no appreciable exports of peanuts during the last quarter of 1955. Exports through October amounted to 3<sup>4</sup>,000 tons.

The unusually large exports, continued sustained world demand, and the imposition on March 1 of a 0.65 cents-per-pound processing tax on factory-produced oil combined with a rising general price level to further advance oil and oilseed prices during the first three months of 1956. Prices rose 10 to 34 percent between the first week of January and the third week of March. Peanut oil at Bombay was quoted at Rs. 57/4 per maund (14.6 cents per pound) for the week ended March 24, HPS peanuts at Rs. 26/1 (6.6 cents). Linseed oil, at Rs. 69/12/0 per maund (17.8 cents per pound) had moved up Rs. 16/2 (4.1 cents) in three months. Castor oil quotations at Kanpur were up to Rs. 40/8 (10.3 cents), and castor seed at Bombay sold for Rs. 17/8 (4.5 cents).

The Indian Government, which had purposely made available large export quotas of oils last year in order to strengthen oil and oilseed prices, apparently believes that price levels are now too high for the domestic market, as evidenced by the sizable export duties which it put on linseed and castor oils (as well as on niger and kardiseed oils) effective April 11 (see Foreign Crops and Markets, April 23, 1956).

#### BELGIAN CONGO AND RUANDA-URUNDI AGRICULTURAL EXPORTS INCREASE IN 1955

Increased quantities of coffee, palm oil, rubber, palm kernel oil, cocoa, bananas and palm nut oil cake and fibers (other than cotton) were exported from the Belgian Congo and the UN trust territory of Ruanda-Urundi in 1955. The increase in quantities exported resulted in a net increase in total value despite the drop in world prices of some of the commodities. The value of agricultural crop exports increased from 20.2 million Belgian Congo francs (50 francs equal \$1 U. S.) in 1954 to 23.1 million francs in 1955.

Coffee was the most valuable single agricultural export in 1955, representing 8.8 percent of the total value of exports. Coffee exports increased 27 percent, from 34,391 to 43,674 metric tons, chiefly because of the doubling of Arabica coffee exports from the Ruanda-Urundi trust territory. Total Rubusta coffee exports were reported as having increased only from 20,322 to 21,637 tons. Cotton exports decreased slightly in quantity (41,385 tons in 1955 compared with 42,239 tons in 1954), but rose slightly in value (6.8 percent of value of total exports). Most of the cotton was exported to Belgium. The total value of all vegetable oil products constituted about 12 percent of the total exports. Palm products are the most important oil product. Cocoa exports increased from 2,975 tons in 1954 to 3,478 in 1955. The value of agricultural products still continued to be of first importance in the total economy, despite the large increase in value of mineral exports.

#### CACAO CROP PROSPECTS APPEAR FAVORABLE FOR SEVERAL IMPORTANT PRODUCING AREAS

Cacao production estimates for the main crop 1955-56 in Gold Coast, Africa remain at the April 16 estimate of 218,020 long tons. The mid-crop is not expected to exceed the 13,662 tons of the previous year. Good success is reported in the control of capsid in this country by the use of hand sprayers. There are now 15,000 of these hand sprayers in the country, and 5,000 more are on order.

It is extremely likely that total sales and carry-over from the Brazilian 1955-56 crop (May-April) will exceed 148,000 long tons. The prospects appear favorable for the coming temporao crop, however no reliable estimates are available at this time.

Ivory Coast cacao production for 1955-56 is expected to be very near the 66,433 long tons for 1954-55. Nigeria's production, however, is expected to be somewhat higher for 1955-56 than it was the previous year - probably around 115,000 long tons.

Mexican crop prospects indicate a smaller crop for 1955-56 than for 1954-55, due to excessive rains and floods. The current estimate is about 9,800 long tons compared to about 11,800 for 1954-55. Exports to the United States from Mexico during the 1955 calendar year, however, represented about a 72 percent increase over the previous year.

PHILIPPINE ABACA SITUATION  
IMPROVES IN 1955

Production of Philippine abaca was reported at about 250.4 million pounds in 1955, compared with 233.6 million in 1954. The total includes approximately 14.4 million pounds of non-inspected fiber that was manufactured into rope by local firms. Most of the rope (93 percent in 1955 and 77 percent in 1954) is manufactured from non-inspected, unbaled fiber. The 236.0 million pounds of inspected fiber was an increase of 7 percent over the 220.9 million inspected in 1954. (See table.)

The area in abaca in 1955 was 536,200 acres, and 476,000 were harvested. This compares with a total of 732,700 acres in 1954, and 643,900 acres harvested.

The improved production was more than a 40 percent gain in average yield. It is attributed primarily to good weather. A slight improvement in demand, and consequently in prices for abaca was also a contributing factor.

Philippine Republic: Abaca fiber 1/ supply and distribution in 1954 and 1955

Supply and distribution	:	1954	:	1955
Supply-	:	:	:	
Carryover, January 1.....	:	1,000	:	1,000
	:	<u>pounds</u>	:	<u>pounds</u>
Production.....	:	18,039	:	22,748
Imports.....	:	220,950	:	235,991
	:	0	:	0
Total supply.....	:	<u>238,989</u>	:	<u>258,739</u>
Distribution-	:	:	:	
Exports.....	:	212,478	:	240,792
Domestic consumption 2/ .....	:	3,763	:	1,038
Stocks, December 31 .....	:	22,748	:	16,909
	:		:	
Total distribution.....	:	<u>238,989</u>	:	<u>258,739</u>

1/ Only government inspected baled fiber.

2/ About 14,396 thousand pounds of unbaled fiber is estimated produced and used in the manufacture of rope in 1955, and 12,605 thousand (revised estimate) in 1954.

Compiled from data of the Philippine Fiber Inspection Service, Bureau of the Census and Statistics, and Division of Agricultural Economics.

The Southern Mindanao area continued to lead in abaca production with 50 percent of the total, but reported an actual decrease in production, especially in the province of Mindanao where mosaic disease is a serious problem. The Luzon area reported the greatest increase in output, or 29 percent more than in the preceding year. The Leyte and Samar area registered an increase of 6 percent.

Exports of abaca fiber in 1955 totalled 240.8 million pounds, or an increase of 13 percent over 1954. Japan received 30 percent of the total, the United States 26 percent, and the United Kingdom 14 percent. Exports of abaca rope increased in the same period by 12 percent to a total of about 10.3 million pounds. The United States received 3.5 million pounds.

Philippine consumption of the fiber in the manufacture of rope is estimated at about 1.0 million pounds of inspected fiber and 14.4 million of non-inspected fiber. The total of 15.4 million pounds is a decrease from the 16.4 million consumed in 1954. Abaca is manufactured domestically also into rugs, mats, carpets, and various other articles.

The market for abaca improved in 1955 and kept prices rising steadily throughout the year, in contrast to the steady decline throughout 1954; however, the December 1955 quotation had not regained the level of January 1954. The expanded rope and fishing net business of Japan, increased demand from the American rope industry, and rising activity in the European shipbuilding industries accounted for the increased demand for abaca.

#### UNITED KINGDOM CONTINUES GRAINS DEFICIENCY PAYMENTS PROGRAM FOR 1956-57

Continuing its grains deficiency payments program for the 1956-57 (July-June) season, the United Kingdom Government has established guaranteed minimum producer prices averaging 30s. 4d. per hundredweight of 112 pounds (\$2.27 per bushel) for home grown wheat, 23s. 3d. per cwt. (\$1.63 per bushel) for rye, 26s. 2d. per cwt. (\$1.57 per bushel) for barley and 25s. per cwt. (\$1.00 per bushel) for oats. The guaranteed price for wheat is 3 cents per bushel lower than for the current (1955-56) season, but barley is 9 cents per bushel higher and oats 7 cents per bushel higher. The price for rye was not changed. In organization and method of operation, the United Kingdom's 1956-57 price support program remains practically unchanged.

For wheat, the year is again divided into five periods, i.e., July-September, October-November, December-February, March-April and May-June, with a fixed official "national standard" producer price for each separate period. This price increases from 27s. 6d. per cwt. (\$2.06 per bushel) during the first period to 32s. 6d. per cwt. (\$2.44 per bushel) in the last period.

The purpose is to promote orderly marketing by inducing farmers to refrain from selling all or the bulk of their wheat at or immediately after the harvest. For each of the other three grains there is only one national standard price for the entire year.

Only growers registered under the program are eligible for deficiency payments. In the case of wheat, the prices received by farmers for home grown grain sold on commercial markets during each of the five periods are averaged shortly after the end of each period. If the average falls short of the national standard for the period, the farmers who sold the wheat will receive a deficiency payment equal to the difference. The total each wheat grower will receive will be equal, of course, to the deficiency payment per cwt. times the total amount he sold during the period. In the case of rye, the procedure is the same except that the payment is made on an annual basis.

The determination of the deficiency payments for oats and barley also is on an annual basis. For these grains, however, any shortfall in the calculated national average price per cwt. below the established national standard is converted into a deficiency payment per acre. This is done by multiplying the price deficiency per cwt., by the national average yield per acre for the five years 1951 to 1955, inclusive, less 7.5 per cent for tailings, screenings, unsound grain and waste. The actual total amount of the deficiency payment which each producer of oats or barley in 1956 can receive will be the deficiency payment per acre times the number of acres on which he grew the grain for harvesting as grain.

In the case of barley, however, the calculated national average price received by the farmers will be the average of the prices received below a fixed ceiling. This ceiling is roughly the line between the range of the prices at which barley was sold for feed and the range at which it was sold for industrial purposes.

As during the current season, deficiency payments will also be made in 1956-57 to growers of mixtures of two or more grains. Payments for such mixtures will be made under the same circumstances and will be determined in the same way as for oats. However, growers of mixtures of grains with pulses are eligible for only 70 per cent of the deficiency payments for oats. Moreover, to be eligible for deficiency payments, growers of mixtures must comply with certain regulations regarding the proportions of the grains in the mixtures.

The deficiency payments to growers of oats and barley, or any mixtures of grains, will be paid to each registered grower who had one acre or more in the crop, and the payments will be on the basis of quarter acres. For example, a farmer who has  $5\frac{1}{4}$  acres under oats will receive a payment equal to the deficiency payment per acre for oats times  $5\frac{1}{4}$ .

United Kingdom: Officially guaranteed producer prices for 1955-56  
and 1956-57 grain crops

	1955-56			1956-57		
	Per	Per	Per	Per	Per	
	112 pounds	Bushel	112 pounds	112 pounds	Bushel	
	s.	d.	Dollars	s.	d.	Dollars
	:	:	:	:	:	:
Wheat 1/ .....	30	8	2.30	30	4	2.27
Rye.....	23	3	1.63	23	3	1.63
Barley.....	24	8	1.48	26	2	1.57
Oats.....	23	3	.93	25	0	1.00

1/ These are the averages of the national standard prices for the five separate marketing periods.

#### WOOD REPLACES COTTON AS FRENCH EQUATORIAL AFRICA'S MOST VALUABLE 1955 EXPORT

In 1955 tropical wood exports constituted about 40 percent of the total value of exports from French Equatorial Africa, accounting for almost the entire increase in value of exports. Cotton exports are now in second place in value of exports, accounting for about one-third of the total exports. The majority of the wood goes to non-franc countries, and practically all cotton to France. The drop in world prices of cotton, coffee, cocoa, tobacco, sisal, palm nuts, hides and skins and other miscellaneous export commodities adversely affected the value of most of the other exports. The exports of cotton increased from 31,674 metric tons in 1954 to 33,151 metric tons in 1955, but the total value decreased slightly.

The United States furnished about 8.1 percent of the imports into French Equatorial Africa in 1955, the second largest supplier on a value basis. France furnished 58 percent of the imports. U. S. exports to the territory were valued at about \$4.1 million, of which about one-fourth consisted of tractors and tractor accessories and parts. The remainder of U.S. exports consisted largely of trucks, autos and parts, and construction and mining machinery, with only \$27,000 of agricultural commodities. The value of French Equatorial Africa's exports to the U.S. in 1955 were reported as \$1.3 million compared with \$817,000 in 1954.

Imports continued to exceed exports in French Equatorial Africa. Most of the estimated population (4.6 million) of this large territory, stretching from the Gulf of Guinea and the Congo to the southern borders of Libya, is mainly dependent upon subsistence agriculture, with an estimated cash income of about \$15 per capita. Inadequate highway and river transportation, and only 300 miles of railway, make transportation difficult and expensive.

### DANISH SEED CROPS SUFFER WINTER DAMAGE

Seed crops in Denmark have generally suffered from the severities of the past winter, according to a dispatch dated April 30. The scope of damage, however, varies greatly from one crop to another. Seeds of such crops as rutabaga and winter rape have been greatly injured. Fodder sugar beets and sugar beets for seed, which were left in the seed bed during the winter, have also been subjected to heavy kill. This, however, may not have a decisive influence on supplies of sugar beets for seed as the greater part of this area is planted during the spring.

Red and white clover have been attacked by snow mold, but the extent of the damage cannot be determined at this time. The same situation applies to the various grass seeds. Danish growers report substantial damage, but the full extent of the damage is still undetermined. These grass seed crops, however, can improve greatly, if weather conditions are favorable during the coming months.

### CANADA'S GRAIN SEEDING LATE

Seeding of grain in Canada is 1 to 2 weeks later than normal, as a result of a cold backward spring throughout the country. Seeding, now under way in the important producing Prairie Provinces, was making best progress in southern Alberta and southwestern Saskatchewan, at latest report. Progress was expected to be rapid, if weather is favorable. Subsoil moisture supplies are reported to be generally satisfactory.

On the basis of farmers' intentions to plant, as of March 1st, spring wheat acreage in the Prairie Provinces was indicated at slightly over 20 million acres out of a total of 20.8 million intended for the entire country. Intentions for planting of oats amounted to 8.4 million acres in the Prairie Provinces out of a total Canadian intended acreage of 11.9 million. A barley acreage of 9.2 million acres was planned, with Canada's total planned at 9.5 million.

### ISRAEL'S CITRUS EXPORT SEASON ENDS

Israel's exports of citrus fruit during the season just ended approximated 8 million boxes, according to official figures issued by the Israel Citrus Marketing Board. Great Britain was the principal importer, receiving 3 million boxes, followed by West Germany, Sweden, and the USSR.

CANADIAN IMPORTS OF  
U.S. TREE NUTS DECLINE

Canadian imports of edible tree nuts from the United States declined sharply in the 1955 calendar year. Total Canadian imports of tree nuts - from all sources in aggregate - declined substantially from the 1954 level. However, the United States share in Canadian imports also decreased.

Canadian imports from the United States in the past 3 years and the percentages of total imports that these represent are shown below:

	1953	1954	1955
<u>1,000 pounds</u>			
Almonds, shelled.....	1,336	1,518	288
Percent .....	44.8%	53.9%	14.4%
.....			
Almonds, in-shell.....	394	677	220
Percent.....	26.9%	52.7%	22.6%
.....			
Filberts, shelled.....	276	265	228
Percent.....	28.7%	23.1%	20.6%
.....			
Filberts, in-shell.....	2	377	179
Percent.....	0.1%	28.3%	14.5%
.....			
Walnuts, shelled.....	294	318	345
Percent.....	3.7%	3.3%	5.1%
.....			
Walnuts, in-shell.....	2,285	2,486	1,592
Percent.....	90.6%	94.4%	61.9%
.....			

Despite the fact that foreign tree nut prices experienced sharp increases in 1955, they were still lower than United States nut prices which attained extraordinarily high levels in 1955. This price situation is probably responsible for (a) the decline in Canadian tree nut imports in general, and (b) the relatively greater decline in purchases of United States nuts in comparison with those from overseas.

## PERU'S LIVESTOCK HIT BY DROUGHT

Livestock losses in a wide area of the Southern and Central Andes of Peru are estimated as high as 30 percent, because of severe 8-month drought during the usually moist growing season. Several million acres of natural pasture in a generally overgrazed area have been affected by the drought. As a result, there has been considerable migration of people from farms in this populous and important agricultural and livestock region to nearby cities.

Slaughter of cattle, sheep and other livestock is providing an abundance of meat in the immediate areas and will increase Peru's total meat production this year. However, meat supplies are unevenly distributed by areas and the usual seasonal production patterns have been affected. Wool prices have been depressed by the combination of current production and a large accumulation of last years clip in the hands of producers.

## AUSTRIA'S ANIMAL FAT SITUATION

United States' lard will again constitute the bulk of Austria's total lard imports in 1956. Under P. L. 480 Austria will be in a position to purchase against payment in schillings, and to import as much as 17 million pounds of U. S. lard. In addition, about 15 million pounds of U. S. lard are expected to be imported through normal commercial channels.

Lard imports into Austria in 1955 were around 35.5 million pounds, considerably less than the 42.7 million pounds imported in 1954. Tallow imports totaled 9.1 million pounds compared with 10.0 million pounds in the previous year. The United States supplied 75 percent of the 1955 lard imports and 88 percent of the tallow.

Austrian produced lard was retailing in mid-February 1956 at about 18 - 22 schillings per kilogram (32 - 38 cents per pound), compared with the fixed price of 14.40 schillings (25 cents per pound), which consumers have to pay for imported lard. Yet the Vienna Housewives, as a rule, prefer the domestic lard because it is reputed to be of superior quality. The main difference between domestic and the imported product is probably taste. The Austrian lard retains a distinct roast pork flavor while the American lard, although blended with some domestic lard, is reported to be almost tasteless. Moreover, housewives like to do their own rendering because this gives them, in addition to the lard, the cracklings which are valued as an ingredient in cooking.

Lard, as in preceding post-war years, is still imported under licenses issued on a public bid basis by the "Livestock Marketing Board." Under the sponsorship of the Ministry of the Interior, all imported lard is remelted, blended with some indigenous lard, and then repacked for retail sale.

Production of lard in Austria in 1955 is estimated at about 107 million pounds, a moderate increase from the 102 million pounds produced in 1954. Approximately two-fifths of the lard is from commercial and home rendering, and the balance represents farm production. Austria also produced about 12.7 million pounds of tallow last year, about the same as the year before. Almost the entire supply of tallow is commercially produced.

#### CUBA MAY IMPORT MORE LARD IN 1956

Imports of lard in 1956 by Cuba, second only to the United Kingdom as an export market for United States lard last year, will probably exceed the 169.4 million pounds imported in 1955 should the prospect of a somewhat better general economic situation than last year be realized. Imports of lard in 1955, all of which were supplied by the United States, were larger than in any year since 1952, and were  $3\frac{1}{2}$  times the 1936-40 prewar average. Lower lard prices in the United States market was a major reason for the large importation last year.

Over 80 percent of the lard imports in 1955 were received in railroad tank cars transported by ferry from Florida. This lard is packaged locally and sold under Cuban brand names. The remainder of the lard is received in drums or tins. Lard is widely advertised in Cuba, and per capita consumption was approximately 28 pounds in 1955.

Wholesale prices on the Habana market for lard reached a low of \$16.50 per Spanish quintal (101.4 lbs.) (16.3 cents per pound) in December 1955, as compared to a high of \$22 (21.7 cents) during April-July 1955. This is considerably below 1954, when prices ranged from a low of \$26 per quintal (25.6 cents per pound) in September to a high of \$28 (27.6 cents) in August.

Imports of inedible tallow for Cuba in 1955, all from the United States, totaled 28.8 million pounds, or approximately 3 million pounds less than was imported in 1954. Cuba also imported 2.1 million pounds of edible tallow last year.

Practically all of the inedible tallow is imported by the subsidiaries of large U. S. soap companies. Any increase in the domestic manufacture of soap in 1956 probably would result in a corresponding increase in tallow imports. It is doubtful if local production of tallow in 1956 will exceed the estimated 1955 output of 8.1 million pounds.

Inedible tallow prices in 1955 ranged from \$8.75 to \$9.75 per quintal (8.6 - 9.6 cents per pound) for domestic tallow and from \$8.80 and \$10.67 (8.7 - 10.5 cents) for the imported product.

## LARGE CATTLE MARKETINGS IN ARGENTINA CREATE NATIONAL PROBLEM

A sharp increase in cattle marketings in Argentina and the development of facilities and markets for the resulting increase in meat production has become a national problem. A number of recent actions have been taken to cope with the situation.

The increase in marketings may be illustrated by sales on the Laniers (Buenos Aires) Market, and central and regional packers direct purchases of cattle from ranchers. Total marketings of cattle and calves in 1955 totaled 6.1 million head, compared with 4.4 million the year before and 3.4 million head in 1953. In January and February such marketings totaled 1,070,000 head, compared with 808,000 during the same months of 1955.

For some months marketings have been in excess of slaughter capacity. Regional packers and processing plants have been granted permission to slaughter for export. A number of abattoirs in the Greater Buenos Aires area, which were closed down three years ago when cattle were in short supply, were authorized to re-open. Regulations have been modified to encourage the purchase and slaughter of animals for canning to stimulate the demand for lower grade cattle. More recently the Government has authorized the export of "bone in" manufacturing beef. Western Germany is reported to be in the market for 8,000 to 10,000 tons of this meat, which represents production from roughly 50,000 head. Shipments of live cattle to Uruguay have been fairly large. The surplus situation in cattle has been aggravated by a shortage of shipping space.

To reduce the accumulations of cattle in the Laniers Market, Frigorifico Nacional has increased its slaughter and has decreased direct purchases from ranchers. Slaughter of cattle, hogs and sheep has already been increased and it is considered feasible to attain a daily kill of 6,000 to 6,500 head of cattle, a normal slaughter in former times. Sales of cattle and calves at the Laniers Market in 1955 totaled over 1.6 million head.

The National Meat Institute has issued orders that only actual stock raisers may send their animals direct to the national packing plant. Regulations in force do not permit the purchase of cattle from producers by speculators and their immediate sale to processing establishments. Such sales must be undertaken exclusively by dealers who must send the animals to a terminal market to be sold at auction. These measures have been placed into effect to prevent speculators from buying cattle at depressed prices and selling them a short time later at the higher prices established under the official grading system.

Cattle production since the devaluation of the peso, has been discouraged by a sharp rise in the official prices for crops, a sharp increase in returns from sheep and record high prices for hogs. Sheep farmers are receiving about twice as much for their wool clip this year as last. Prices for cattle are now generally lower than a year ago and cattlemen are facing a cost - price squeeze, from increased production costs and the lower cattle prices. There has been a marked increase in slaughter of heifers reflecting the relatively poor prospects for cattle.

Beef production in Argentina has reached record figures, and domestic consumption is reverting to the high levels of several years ago. The export trade is limited by the capacity to market increasing quantities of quality chilled beef in the United Kingdom and to open up new overseas markets for chilled, frozen and canned beef.

#### URUGUAY SETS BEEF EXPORT QUOTAS

The Uruguay National Council of Government authorized the slaughter of 20,000 tons of beef from fat steers for export during the months of May and June. This quantity is in addition to the 6,000 tons for shipment in April.

Two packers were slaughtering in April in fulfillment of the 6,000 ton quota. None of the beef, however, was exported due to a lack of freezer space on ships. Three packing plants did not slaughtered under the quota, because of the tight shipping situation. A strike halted slaughter in two large packing plants on April 6. The strike was not settled for at least a week.

Prices of beef in Germany appear favorable to Uruguayan exporters, but prices received in the United Kingdom are so low as to make profitable sales to that market questionable.

Up to April 13 a total of 1,520 head of Argentine cattle were brought into Uruguay under a recent agreement to import 60,000 head. These cattle are reaching Uruguay at a time when cattle marketings are seasonally large. The large slaughter is expected to continue possibly into July.

#### MEXICO'S ANIMAL FAT REQUIREMENTS INCREASE

Mexico's imports of lard and tallow in 1956 are estimated at about 25 million and 55 million pounds, respectively. This is nearly double the lard imports of 14 million pounds in 1955 and substantially larger than the 48 million pounds of tallow imported last year. In the case of lard, consumption requirements are expected to be up this year while the increase in tallow imports is needed to replenish stocks. Most of the lard and tallow imported is supplied by the United States.

MEXICO: Lard and Tallow, supply and distribution,  
annual 1954, 1955 and forecast 1956

(Million pounds)

Supply - Distribution	LARD			TALLOW		
	1954	1955 1/	1956 2/	1954	1955 1/	1956 2/
Stocks, Jan. 1....	7	8	8	9	7	4
Production.....	100	110	110	52	50	53
Imports.....	25	14	25	61	48	55
Supply.....	132	132	143	122	105	112
Exports.....	neg.	neg.	neg.	neg.	neg.	neg.
Consumption.....	124	124	134	115	101	103
Stocks, Dec. 31....	8	8	9	7	4	9
Distribution.....	132	132	143	122	105	112

1/ Preliminary. 2/ Forecast.

No significant change is expected in domestic production of animal fats in 1956. Lard output is estimated at 110 million pounds and tallow at 53 million pounds. Average wholesale prices of lard and tallow in Mexico city in March 1956 were 5.50 pesos per kilogram (20.0 cents/pound) and 3.20 pesos per kilogram (11.6 cents/pound), respectively.

#### NEW SLAUGHTER PLANT IN SOUTH WEST AFRICA

In March construction was begun on a new slaughter plant at Pikkiesdraai, South West Africa to replace and increase the capacity of present outdated facilities.

The project, consisting of two main buildings costing £ 160,000 (\$448,000), is scheduled for completion by October 1957. The top floor of the main two story building measuring 84 by 140 feet, will contain slaughter beds for cattle, sheep and hogs. The ground floor will have loading and refrigeration facilities. 3 cold storage chambers and 1 freezer room are planned in the main building.

The second building will house facilities for the slaughter of livestock according to religious custom. It will also have a laundry, dining room, and storage space for by-products. Livestock holding pens will be covered for the protection of the animals.

The present slaughter plant in Pokkiesdraai reportedly was condemned in 1929, but continued to be used until the present time. A total of over 38,000 animals were slaughtered there in 1955. The new plant will have facilities for slaughtering at least 48,000 head a year.

Pokkiesdraai is located near Windhoek in the central part of South West Africa. It is on the main railroad which hauls large numbers of cattle from the territory to the Union of South Africa. The other large slaughter center in the general area is in the port city of Walvis Bay.

In addition to the exportations of cattle from the territory, the Meat Board of the Union continued to slaughter cattle at Walvis Bay to take care of surplus supplies which could not be delivered to Union markets due to the shortage of railroad cars. Carcasses are stored at Walvis Bay and transported to the Union as required. During the year ending August 31, 1955 a total of 24,462 cattle were slaughtered there, compared with 18,347 a year earlier. Shipments of slaughter cattle to the Union in 1955 totaled 157,428 head, slightly more than a year earlier and the second largest in at least 17 years. Shipments of sheep to the Union increased considerably in 1954-55 to reach a total of 133,000 head, compared with 71,000 a year earlier.

#### EXPORTS OF MEAT PRODUCTS TO GERMANY INCREASE

West German imports of meat, lard, and other packing house products (excluding hides) from the United States were equivalent to almost \$26 million in 1955, \$3.4 million larger than a year earlier, according to German trade statistics. German exports of canned hams and other packing house products to the United States were equivalent to \$9.1 million in 1955, a drop of 2.1 million from the previous year. Smaller exports of hams were due to increasing meat prices in Germany and decreasing prices for hams in the United States.

Germany increased its imports of lard and variety meats from the United States in 1955. Total imports of tallow, greases, and other animal fats and oils also increased, but tallow imports fell off moderately. There was a sharp drop in imports of U. S. fatbacks during the year.

Germany is also a large importer of cattle hides and calf skins from the United States. Exports to Germany in 1955 included 717,000 cattle hides and 712,000 calf and kip skins. Germany was the fourth largest U. S. export outlet for cattle hides and the second largest for calf and kip skins.

## UNITED STATES: German trade in meat products, 1954-55

Item	German imports from the United States		German exports to the United States	
	1954	1955	1954	1955
	<u>1,000 Dollars</u>		<u>1,000 Dollars</u>	
Variety meats.....	2,019	3,914	--	--
Sausage.....	--	--	138	199
Canned ham.....	--	--	10,563	8,593
Other canned meat products...	--	--	483	313
Lard.....	7,309	9,231	--	3
Lard oil and poultry fat....	30	28	--	--
Fatbacks.....	3,442	2,665	--	--
Tallow.....	4,860	4,544	--	--
Other animal fats and oils...	4,698	5,503	--	--
Pork.....	88	--	--	--
Mutton.....	5	--	--	--
Beef.....	14	--	--	--
Meat, salted or dried.....	16	--	5	--
Total.....	22,481	25,885	11,189	9,108

Source: German trade statistics; converted from D.M. at rate of  
1 D.M. = \$.237

#### MILK PRODUCTION AND UTILIZATION IN PRINCIPAL PRODUCING COUNTRIES IN 1955

The postwar upward movement in milk production continued in 1955 with a production of 356,293 million pounds of milk in 18 primary producing countries, a gain of 0.6 percent from the level reached in 1954. The gain was accomplished primarily through increased output in North America and Oceania. Unlike 1954 when weather conditions were generally favorable, inclement weather prevailed in most of Europe during the last part of 1955, seriously curtailing milk production. Only 4 of the 14 European countries showed gains from 1954 and 2 of these, Italy and Greece, were not affected by the conditions prevailing in other parts of the continent.

COW'S MILK: Production and utilization in specified countries, 1955 (preliminary) and 1954.

Country	Production			Utilization			Feed Million Pounds
	Milk cows Head	Production per cow	Milk production: Fluid milk 1/ Production:	Butter Million Pounds	Cheese Million Pounds	Canned milk Million Pounds	
<b>1955</b>							
Canada	3,312	5,216	17,277	6,403	7,873	958	707
United States	21,232	5,815	123,554	58,300	30,795	13,420	6,290
Austria	1,178	4,598	5,417	2,671	1,608	3,363	4/
Belgium	975	8,495	8,283	1,861	5,421	1,168	66
Denmark	1,479	7,654	11,321	1,581	7,485	1,268	4/
Finland	1,155	5,525	6,381	2,767	2,927	512	4/
France	9,352	4,321	40,406	8,399	16,912	6,356	4/
Germany, Western	5,749	6,482	37,273	12,802	16,687	2,187	15/
Greece	322	2,176	701	392	94	64	104
Ireland	1,198	4,385	5,253	1,092	3,069	72	4/
Italy 6/	4,000	4,83	19,454	5,539	3,669	5,827	20
Netherlands	1,508	8,498	12,813	3,206	5,32	3,549	1,176
Norway 7/ 8/	658	5,579	3,718	1,872	829	456	4/
Sweden	1,514	6,060	9,173	3,338	4,030	886	15
Switzerland 8/	893	7,000	6,293	2,293	1,214	1,486	4/
United Kingdom	3,704	6,421	23,834	17,510	1,360	1,493	927
Australia 9/	2,338	5,956	13,925	2,803	9,184	1,003	246
New Zealand 2/	1,995	5,624	11,220	998	7,706	2,045	4/
<b>1954</b>							
Canada	3,233	5,228	16,902	6,148	7,786	1,022	676
United States	21,581	5,657	122,264	56,200	32,249	13,732	10,130
Austria	1,182	4,735	5,997	2,764	1,699	3,350	4/
Belgium	990	8,247	8,165	1,833	5,448	1,50	40
Denmark	1,506	7,897	11,892	2,620	8,179	1,215	4/
Finland	1,158	5,549	6,425	2,637	3,082	529	338
France	9,209	4,440	40,860	8,399	11,252	6,356	4/
Germany, Western	5,831	6,506	37,595	12,707	17,372	2,101	1,166
Greece	286	2,953	5,587	3,49	75	39	2/
Ireland	1,204	4,568	5,500	1,990	3,208	54	4/
Italy 6/	3,800	4,456	18,523	5,425	3,494	5,594	25
Netherlands	1,547	8,353	12,929	3,863	3,998	3,418	1,030
Norway 7/ 8/	679	5,429	3,734	1,856	833	476	4/
Sweden	1,542	6,248	9,636	3,571	4,575	889	15
Switzerland 8/	886	7,000	6,245	2,305	1,344	1,356	4/
United Kingdom	3,728	6,476	24,396	17,376	1,669	1,947	701
Australia 9/	2,263	5,555	12,570	2,727	7,701	1,094	309
New Zealand 2/	1,999	5,455	10,965	986	7,375	2,058	4/

COW'S MILK: Production and utilization in specified countries, 1934-38

Country	Production			Utilization		
	Milk Cows Head	Production per cow	Milk Production Pounds	Fluid Milk Production Million Pounds	Butter Production Million Pounds	Cheese Production Million Pounds
Canada 2/	3,780	4,043	15,284	4,602	8,144	1,347
United States	23,923	4,291	104,930	42,520	44,363	6,503
Austria 11/	1,210	4,630	5,902	3,068	1,212	661
Belgium	967	7,022	6,790	1,433	4,321	163
Denmark 2/ 12/	1,692	6,905	11,684	1,433	9,314	331
Finland	1,309	4,268	5,387	2,356	2,735	205
France	8,400	3,929	33,000	7,935	12,375	5,000
Germany, Western 2/ 13/	6,049	5,467	33,069	10,295	17,306	1,279
Greece 12/	181	1,384	251	181	54	16
Italy	3,466	3,968	14/ 13,750	3,700	2,700	3,600
Netherlands	1,460	7,658	11,180	2,321	5,536	2,291
Norway 2/ 12/	802	3,683	2,954	1,124	1,111	489
Sweden 2/ 12/	1,947	5,258	10,238	3,383	1,170	782
Switzerland 8/ 12/	902	6,297	6,041	2,125	1,497	1,303
United Kingdom	3,200	5,583	18,424	11,100	2,800	1,008
Australia 2/	2,545	4,629	15/ 11,780	1,612	9,466	444
New Zealand 2/	1,787	5,694	10,176	665	7,255	1,969

1/ Includes milk used for cream. 2/ Includes milk used for ice cream, dried whole milk, minor products, waste and balance, unless otherwise indicated. 3/ Includes cows kept mainly for milk. 4/ Canned milk included with other uses. 5/ Dried milk utilization included with canned milk. 6/ Production and utilization include sheep and goat milk. 7/ Years ending March 31. 8/ Production and utilization include goat milk. 9/ Years ending June 30. 10/ Average 1935-39. 11/ For 1934. 12/ Average 1933-37.

13/ Average 1935-38. 14/ For 1938. 15/ Excludes milk fed to calves.

Foreign Agricultural Service. Prepared or estimated from official statistics, reports of Agricultural Attachés and other U.S. Representatives abroad and other information.

May 14, 1956.

Of the 8 countries showing gains in milk production between 1954 and 1955, 3 recorded the gains solely through increased production per cow, 2 obtained their increased output from greater cow numbers while 3 showed the gain was due both to increased production per cow and a larger number of animals being used for milk. Only 2 of the 10 countries showing declines in production recorded increased output per cow.

Unlike previous years when the increase in milk production went primarily for manufacturing purposes, in 1955 fluid milk utilization had the largest net gain. The 13<sup>4</sup>,027 million pounds used for fluid milk consumption represented a net gain of 2,782 million pounds, an increase of more than 2 percent from 1954. Fluid milk use accounted for 37.6 percent of total production in 1955, compared to 37.0 percent in 1954. With the exception of Austria, all countries used more milk for fluid purposes in 1955 than during pre-war. The net gain over the prewar period was 33 percent.

In 1955 butter manufacture took only 34.9 percent of production, compared to 35.9 percent in 1954. The utilization of 12<sup>4</sup>,395 million pounds during 1955 represented a drop of 3,391 million pounds from the previous year. Only 3 countries diverted more milk for butter than in 1954 and all 3 had a considerable upturn in total milk production. Presently, butter manufacturing uses only 89.6 percent of the quantity of milk utilized for that purpose during the pre-war period.

The proportion of milk going to cheese manufacture dropped from 12.0 percent in 1954 to 11.8 percent in 1955 with a decline of 267 million pounds of milk going into cheese in the 18 countries. While the number of countries maintaining or raising the proportion of milk used for cheese was the same as the number showing declines, the gains could not offset the relatively large drops recorded by the United Kingdom and the United States which were down 454 and 312 million pounds respectively from their 1954 levels. All of the countries showing increased use for cheese were in Europe and 5 showed declines in total milk output. Milk going to cheese in 1955 was about 15<sup>4</sup> percent of prewar for those countries for which comparable data are available.

Milk for other uses, particularly the processing of evaporated, condensed and powdered milk, showed a gain of 660 million pounds, or 11 percent above 1954. The only substantial decline in milk utilization for these purposes was found in Australia where the 626 million pounds utilized in 1955 must be compared with the 75<sup>4</sup> million pounds used the year previous. This utilization in 1955 was more than 200 percent of the pre-war use.

Milk fed to livestock in 1955 was 1.9 percent above the previous year when 28,529 million pounds were fed to animals on farms. Declines in North America and Oceania were offset by a net gain in Europe.

### BRITISH INCREASE IMPORTS OF CHEESE FROM UNITED STATES

Operating under quota restrictions on cheese imports from North America, the United Kingdom took slightly more than 450,000 pounds of cheese from the United States in 1955 (See Foreign Crops and Markets, May 7, 1956). According to Bureau of Census reports for January and February 1956, exports of cheese by the United States to the United Kingdom already total 1.9 million pounds, more than 4 times the amount shipped during the entire year 1955.

Most of these exports have been made by United States exporters through purchases of CCC stocks at export prices. It is believed that another 900,000 pounds were shipped to Britain during March.

United Kingdom statistics show that total cheese imports during the first two months of 1956 at 55.9 million pounds are running ahead of January-February 1955 imports by about 5 percent. The volume of Canadian cheese has also been increased. Receipts of Canadian cheese, which made up the bulk of the 1955 shipment from North America, amounted to 287,000 pounds in January-February 1955, but in the first two months of 1956 the total was 624,000 pounds. New Zealand, which is the main supplier of cheese to Great Britain, also increased its shipments during the first two months of 1956 against the same period in 1955. Total receipts of New Zealand cheese in January-February 1956 were 38.5 million pounds compared to 27.6 million during the 1955 period.

In spite of the increased imports, the price of cheese in London during the first quarter was firm. On March 1, 1956, the price of New Zealand finest white cheese was 34.2 cents a pound, up 0.1 cents from February and 0.4 cents from January. Prices during February 1955 ranged between 19 - 20 cents a pound.

### SWEDEN'S TRADE IN DAIRY PRODUCTS

The year 1955 in Sweden was marked by a decline in production and exports of milk and dairy products. Milk production dropped from 9.6 billion pounds in 1954 to 9.2 billion pounds in 1955. The reduced milk supply resulted in a decline in butter production which in turn was reflected in smaller butter exports. Cheese and dried milk exports also declined, but condensed milk exports were higher than a year ago.

Exports of butter in 1955 amounted to approximately 8 million pounds, compared with 29 million pounds in 1954. During 1955 the largest shipments went to Western Germany (2.0 million pounds), Switzerland (1.7 million pounds) and Eastern Germany (1.5 million pounds). Smaller quantities went to French Morocco, Algeria, Czechoslovakia and France.

Exports of cheese (all types) in 1955 amounted to 7 million pounds, a decline of 3 million pounds from the preceding year. By far the largest quantity shipped during 1955 went to Italy (4.0 million pounds). Other markets were Western Germany, the United Kingdom, Algeria and the United States.

Condensed milk exports in 1955 were 3.8 million pounds, an increase of 1.6 million pounds over 1954. Algeria was the principal destination with 1.0 million pounds. Smaller shipments went to Tunisia, Peru, Burma, China and the Republic of the Philippines.

Exports of dried milk (both whole and skimmed) dropped from 5.2 million pounds in 1954 to 3.0 million pounds in 1955. Venezuela, Western Germany, Switzerland, French Morocco, Egypt and Costa Rica were among the countries receiving dried milk from Sweden in 1955.

Of imports, only cheese was of any significance, amounting to 11.5 million pounds in 1955 as against 10.4 million pounds a year earlier. The heaviest supplies came from Denmark (6.0 million pounds) and the Netherlands (4.2 million pounds). Other supplying countries were Switzerland, Finland, Norway, Italy and New Zealand.

#### NEW ZEALAND FIRMING HOLD ON TRINIDAD DAIRY MARKET

Trinidad, the southernmost island in the West Indies group with a population of about 675,000 people, is taking more and more of its dairy imports from New Zealand, according to the Quarterly Economic Report of the government of Trinidad.

In 1953 the Government reports that New Zealand butter brought into the island amounted to 762,000 pounds, or approximately 40 percent of the 1.9 million pounds imported during the year. During the first nine months of 1955 New Zealand's exports of butter to Trinidad amounted to almost 1 million pounds and accounted for 57 percent of the 1.7 million pounds imported during the nine-month period.

New Zealand's position in the cheese trade was even more improved. The 1.1 million pounds imported from New Zealand during the first 9 months of 1955 represented more than 70 percent of the slightly more than 1.5 million pounds of total imports during the January-September period. This is a substantial improvement over the 900,000 pounds of New Zealand Cheese imported in 1953 when total imports were approximately 1.7 million pounds.

The import pattern change in favor of New Zealand is attributed to the fact that the New Zealand Dairy Products marketing Commission took direct charge of the dairy trade to the Caribbean area in 1954. Previously, the marketing of New Zealand dairy products in the Caribbean had been through exporting firms in New Zealand operating as agents. In 1954 the Commission took direct charge of trade in the area and dealt with importers directly.

## CUBAN 1955 DAIRY PRODUCTION AND TRADE

Cuban milk production totaled slightly over 1,675 million pounds in 1955, a gain of about 1 percent over the previous year. About two-thirds of the production was utilized as fluid milk in both years.

The 61 million pounds of condensed milk produced represented a 3 percent rise over 1954 production. Factory butter declined slightly and stood at 4.8 million pounds in 1955. Factory output of cheese stood at 11.4 million pounds, a slight rise over 1954. Other factory production during the year was evaporated milk, 3.5 million pounds, dry whole milk, 2.4 million pounds, and dry skim milk, 2.0 million pounds.

Cuba imports about \$10 million worth of dairy products annually to supplement domestic production. The principal products imported in 1955 were 22.3 million pounds of condensed milk, 27.2 million pounds of evaporated milk, and 2.6 million pounds of cheese. The United States supplied 79 percent of the evaporated milk and 32 percent of the cheese imported by Cuba in 1955, and 75 percent of the 1.7 million pounds of butter entering Cuba in 1955. During the first 6 months of this year, Cuba is expected to import 882,000 pounds of butter, largely from the United States.

In 1955 the Netherlands became the sole exporter of condensed milk to Cuba, completely replacing the United States as a supplier. In 1952 the United States shipped 11.4 million pounds of condensed milk to Cuba, but in 1953 and 1954 exports to Cuba fell to 55,000 and 91,000 pounds respectively.

Import price of the Dutch condensed milk (fas) varied between 17.3 cents and 17.7 cents per pound during 1955. It is reported that these prices were lower than the comparable prices for condensed milk from the United States.

## CZECHS USE BUTTER PURCHASES TO INCREASE TRADE WITH NEW ZEALAND

Czechoslovakia is using the fact that it recently became the largest purchaser of New Zealand butter outside of the United Kingdom as a means of trying to increase its exports of industrial equipment and machinery to New Zealand. Various offers of a substantial nature are reportedly being made by the Czechs, including the bidding on a hydro-electric plant.

Furthermore, the Czech position is that unless substantial exports to New Zealand are forthcoming, the Czechs may be required to cut down their purchases of butter. Mr. K. Hylmar, manager of Motokov, one of Czechoslovakia's leading export concerns, is quoted as saying, in a newspaper interview during his recent visit to New Zealand, that Czechoslovakia

is interested in increasing its exports to New Zealand in order to balance accounts between the two countries. Mr. Hylmar said that his country had spent \$2.8 million in January and February for New Zealand butter and would like to buy even more, "but the volume of New Zealand products we can buy depends upon the number of Czech goods you purchase. The present trade balance is sharply adverse to us".

One of the Czech products Mr. Hylmar was interested in selling to New Zealand purchasers was a 10-wheel truck which would operate over open ground. Each of the 10 wheels is suspended independently and it is reputed to be able to haul 10 tons across rough country and climb slopes up to 52 degrees.

On 1955 Czechoslovakia is reported to have increased her imports of butter by 50 percent over the approximately 15 million pounds purchased in 1954 from all sources. In 1954 New Zealand exported about 1.1 million pounds to Czechoslovakia, but in 1955 this rose to a reported 13.4 million pounds. The amount of butter the Czechs would take at the \$2.8 million dollar level, during January to February 1956, would approximate 6 million pounds.

#### CANADA'S APRIL COTTON CONSUMPTION CLOSE TO RECENT LEVELS

Cotton consumption in Canada in April 1956 amounted to 33,800 bales (500 pounds gross), continuing at approximately the same level as the 34,000 bales consumed in March and 34,200 bales used in February.

Consumption for the 9-month period August-April 1955-56, however, shows a 12 percent increase over the previous year, amounting to 303,000 bales as compared with consumption of 271,000 bales in August-April 1954-55.

Cotton imports into Canada for the first 6 months (August-January) of the 1955-56 year are also well above those of a year ago, amounting to 204,000 bales or 14 percent higher than imports of 179,000 bales in August-January 1954-55. Imports of Mexican cotton amounted to 133,000 bales in the current period, or 65 percent of total imports as compared with imports of 3,000 bales in the same period a year ago. Imports of United States cotton have dropped from 171,000 bales in August-January 1954-55 to 56,000 bales, or 27 percent of the total in August-January 1955-56.

Imports of 204,000 bales during the first half of the season are approximately 4,000 bales greater than consumption during the same period, which indicates little change in stocks from the low level of 56,000 bales reported for August 1, 1955.

CANADA: Imports of cotton from major countries of origin; averages 1935-39 and 1945-49; annual 1953-54; August-January 1954-55 and 1955-56

(In equivalent bales of 500 pounds gross)

Country of Origin	Year beginning August 1			August-January		
	Average					
		1953	1954	1954-55	1955-56	
	1935-39	1945-49				
<u>1,000 bales</u>						
Brazil.....	1/	16	17	5	3	1
Egypt.....	8	1	13	0	0	0
India & Pakistan..	2	3	1	3	1	3
Mexico.....	1/	79	4	19	3	133
Peru.....	1/	2/	2/	1	1	1
United States....	321	295	244	324	171	56
Other countries...	3	1	3/ 6	4/ 6	0	10
Total.....	334	395	285	358	179	204

1/ If any, included in "Other countries". 2/ Less than 500 bales.

3/ Argentina 5. 4/ Guatemala 4.

Source: Cotton Institute of Canada.

#### SPAIN'S COTTON IMPORTS BELOW LAST YEAR

Spain's cotton imports in the first 7 months (August-February) of the 1955-56 marketing year amounted to 100,000 bales (500 pounds gross), or about 30 percent less than the 144,000 bales imported in the same months of 1954-55. Imports from the United States, however, increased from 62,000 bales in August-February 1954-55 to 77,000 bales in the current period. Imports from Brazil dropped from 43,000 bales in the earlier period to 15,000 bales this year, while those from Egypt dropped from 36,000 to 7,000 bales. The increase in imports from the United States occurred in the November-January quarter when 60,000 bales were imported as compared with only 2,000 bales during August-October.

Spanish cotton production for the 1955-56 crop is now estimated at 150,000 bales as compared with 95,000 in 1954-55, and 82,000 in 1953-54. This represents an increase of about 80 percent during the 2-year period. A similar increase has been shown in acreage, which was estimated at 406,000 acres for 1955-56 as compared with 267,000 in 1954-55, and 217,000 in 1953-54.

Cotton consumption in Spain amounted to 390,000 bales in 1954-55 as compared with 375,000 in 1953-54. Consumption in the August-January period of 1955-56 has continued at about the same level as in 1954-55, amounting to approximately 200,000 bales in the 6-month period. Most of Spain's cotton mills are located in the Barcelona area which accounts for about 93 percent of total consumption. There has been a steady increase in Spain's cotton consumption in recent years, although the level is still below the consumption of 425,000 bales in 1948-49.

Cotton stocks on January 31, 1956, were estimated at 172,000 bales as compared with 145,000 bales held on August 1, 1955. Addition of the domestic production during this period accounted for much of the improvement in the current supply, which represents about 5 month's consumption at present levels.

#### SYRIA INCREASES VOLUME OF COTTON EXPORTS

Syria's cotton exports of 310,000 bales (500 pounds gross) during the first 7 months (August-February) of the 1955-56 marketing year were more than twice the volume of 133,000 bales exported in the comparable months of 1954-55. Most of the cotton exported by Syria is destined for France, but in the calendar year 1955 considerable quantities were also exported to Italy (58,000 bales); the United Kingdom (52,000 bales); Western Germany (28,000 bales); Japan (25,000 bales); Belgium (20,000 bales); and Lebanon (17,000 bales). Exports to France in 1955 amounted to 172,000 bales. Comparable figures for earlier periods, or on a crop year basis are not available.

Most of Syria's cotton is of the American-Upland type, known as Coker 100 Wilt. About 96 percent of the 1955-56 crop was of this variety. Varieties known as Akala 42 and Lone Star accounted for the remaining 4 percent. Syria's 1955-56 cotton crop is estimated at 390,000 bales, an increase of 7 percent from the 1954-55 crop of 365,000 bales.

Syrian cotton consumption in 1955-56 is expected to total about 41,000 bales, up 14 percent from the 36,000 bales consumed in 1954-55. The number of installed cotton spindles in the fourth quarter of 1955 was reported at 80,500, and an additional 2,000 rayon spindles were being converted to cotton. Some cotton mills reportedly had reduced shifts because of heavy stocks of textiles and retarded textile exports. However, increased domestic demand during July and August may be expected, after farmers sell their cereal crops, since farmers consume the bulk of cotton textiles woven in Syria.

Syria's cotton stocks at all positions on February 28, 1956, were reported at 43,000 bales (apparently ginned cotton only), or less than half the stocks of 118,000 bales held a year earlier. Stocks on August 1, 1955, were estimated at 14,000 bales.

**SUDAN COTTON EXPORTS**  
**DOUBLE THOSE OF LAST YEAR**

Cotton exports from the Sudan during the first 6 months (August-January) of the 1955-56 marketing year amounted to 274,000 bales (500 pounds gross), or more than twice the 105,000 bales exported in the same months of 1954-55. Most of the Sudanese cotton is exported to the United Kingdom and India, although in recent years increasing amounts have been exported to Western Germany, Italy, France, and Hong Kong. Exports to nearly all destinations in the current period were more than double those for the previous year.

**SUDAN: Exports of cotton by countries of destination;**  
 averages 1934-38 and 1945-49; annual 1953-54;  
 August-January 1954-55 and 1955-56

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1			August-January		
	Average		1953	1954	1954-55	1955-56
	1934-38	1945-49				
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United States.....	3	1/ 16	10	1	1	9
Belgium.....	2/	2/	11	4	2	4
Czechoslovakia.....	2/	3/	0	6	0	2
France.....	16	2	29	27	9	16
Germany, West.....	5	3/	20	20	9	34
Italy.....	9	1	35	40	17	26
Netherlands.....	1/	2 4/ 5	3	1	3/	3/
Poland.....	1/	5	2/	0	3	1
United Kingdom.....	161	202	256	113	47	103
China.....	4/	4	2/	0	0	4
Hong Kong.....	2/	4/ 2	1	3/	3/	16
India.....	5/	47 5/ 67	37	68	15	51
Japan.....	6/	8	2/	1	2	0
Other countries.....	5	6	10	13	4	8
Total.....	7/	258	7/ 287	413	298	105
						274

1/ 2-year average. 2/ If any, included in "Other countries". 3/ Less than 500 bales. 4/ One year only. 5/ Includes Pakistan. 6/ 4-year average. 7/ Total does not add due to partial averages.

Sources: Foreign Trade and Internal Statistics; Agricultural Attachés, and other United States representatives abroad.

Most of Sudan's cotton is harvested from January to March and is sold by a system of auctions beginning in March. About five-sixths of the crop is of the extra-long staple Sakel variety. The 1955-56 crop, now being marketed, is estimated to be the largest in 5 years and the second largest on record, amounting to 422,000 bales or 5 percent higher than the 1954-55 crop of 403,000 bales. Acreage and production estimated for recent years are as follows:

SUDAN: Cotton acreage and production, 1949-50 - 1955-56  
(In equivalent bales of 500 pounds gross)

Year beginning August 1	Acreage	Production
	<u>acres</u>	<u>bales</u>
1955.....	1,000	1,000
1954.....	acres	bales
1953.....	598	422
1952.....	685	403
1951.....	652	400
1950.....	620	386
1949.....	571	285
	539	442
	430	305

Nearly all of Sudan's cotton is exported, and no cotton is imported. Cotton consumption amounts to only about 5,000 bales annually. Practically all of each year's cotton production is exported during the same year, and cotton stocks as of February 28 are usually at minimum levels. Stocks for the current year on February 28, 1956, reportedly amounted to about 3,400 bales, all of the lower grades of American-Upland type. The entire crop of Sakel cotton had been sold.

#### SWENEN'S COTTON IMPORTS AND CONSUMPTION SLIGHTLY BELOW LAST YEAR

Cotton imports into Sweden during August-February 1955-56 amounted to 85,000 bales (500 pounds gross), down 10 percent from imports of 94,000 bales in the corresponding 7-month period of 1954-55. Imports from the United States registered most of the decline, dropping from 34,000 bales in the earlier period to 20,000 bales in August-February 1955-56, according to the reported statistics. Imports from Mexico increased from 16,000 to 31,000 bales.

Analysis of the corresponding export data from the United States and Mexico, however, indicate that the United States figure of 20,000 bales for the current period includes about 17,000 bales of Mexican cotton transshipped through United States ports.

Imports from other areas do not show much change from last year. Quantities imported in August-February 1955-56 with 1954-55 figures in parentheses were: Brazil 10,000 bales (10,000); Belgian Congo 7,000 (8,000); the U.S.S.R. 3,000 (10,000); Egypt 4,000 (3,000); Pakistan 4,000 (3,000); Peru 2,000 (1,000); the Sudan 1,000 (2,000); and Paraguay 1,000 (3,000).

Sweden's cotton consumption during the first 5 months (August-December) of the 1955-56 marketing year amounted to 61,000 bales or 3 percent less than consumption of 63,000 bales in the same months of 1954-55. More favorable conditions were foreseen for the textile industry in the latter part of 1955-56, however, partially as a result of the increase in July 1955 of tariff rates on textile imports.

Cotton stocks on December 31, 1955, were reported at 100,000 bales, down slightly from stocks of 102,000 bales held on August 1, 1955.

#### U. S. COTTON EXPORTS INCREASE SHARPLY IN MARCH

Exports of cotton from the United States in March 1956 amounted to 310,000 bales of 500 pounds gross (294,000 running bales), increasing sharply from the 104,000 bales exported in February, and only 19 percent below exports of 382,000 bales in March 1955.

Exports for the 8-month period (August-March) of the 1955-56 marketing year have amounted to 1,192,000 bales (1,136,000 running bales), or less than half the 2,741,000 bales exported in the comparable period of 1954-55.

Heavier exports in March apparently reflect increasing shipments of cotton sold in January and February under the special million-bale export program (cotton of 15/16 inch and shorter staple). Since this movement was just getting under way in March, the increased volume may be expected to continue through the remaining months of the current season. Most of the million bales are being exported under the I.C.A. program (International Cooperation Administration), as Public Law 480 funds were not available for this purpose.

Principal destinations of the March exports were Japan (117,000 bales), France (42,000), the United Kingdom (25,000), the Netherlands (16,000), and Italy (15,000). The total exported to Europe in March amounted to 128,000 bales. Exports to Europe for the 8-month period August-March 1955-56 amounted to 432,000 bales or about one-fourth of exports of 1,623,000 bales in August-March a year ago.

It is interesting to note that 129,000 bales of the March exports were of one-inch staple and over, which were not sold under the special export program. For the August-March period of 1955-56, exports of one-inch staple and over amounted to 715,000 bales.

UNITED STATES: Exports of cotton by countries of destination,  
averages 1935-39 and 1945-49; annual 1953 and 1954;  
August-March 1954-55 and 1955-56

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1			August-March		
	Average	1953	1954			
	1935-39:1945-49:			1954-55:1955-56		
<u>1,000 bales</u>						
Austria.....	0 :1/	36 :	42 :	15 :	13 :	9
Belgium.....	169 :	131 :	68 :	66 :	60 :	7
Czechoslovakia.....	65 :	57 :	0 :	0 :	0 :	0
Denmark.....	33 :	14 :	23 :	21 :	17 :	1
Finland.....	35 :	21 :	10 :	13 :	4 :	15
France.....	662 :	575 :	475 :	416 :	327 :	113
Germany, West.....	511 :	340 :	389 :	350 :	309 :	48
Italy.....	442 :	489 :	269 :	249 :	176 :	46
Netherlands.....	107 :	131 :	104 :	95 :	84 :	4
Norway.....	17 :	7 :	14 :	12 :	10 :	2/
Poland and Danzig.....	180 :	69 :	0 :	0 :	0 :	0
Portugal.....	36 :	2/ :	0 :	11 :	0 :	1
Spain.....	108 :	69 :	167 :	197 :	101 :	94
Sweden.....	115 :	12 :	43 :	51 :	44 :	4
Switzerland.....	11 :	26 :	24 :	37 :	35 :	11
United Kingdom.....	1,346 :	488 :	422 :	421 :	358 :	70
Yugoslavia.....	17 :	47 :	40 :	103 :	76 :	8
Other Europe.....	31 :3/	33 :	10 :	9 :	9 :	1
Total Europe.....	3,885 :	2,545 :	2,100 :	2,066 :	1,623 :	432
Canada.....	301 :	275 :	237 :	307 :	223 :	49
Chile.....	9 :	20 :	27 :	10 :	9 :	10
Colombia.....	20 :	24 :	7 :	2 :	1 :	16
Cuba.....	11 :	16 :	20 :	19 :	17 :	6
India.....	52 :	86 :	161 :	61 :	59 :	5
China.....	117 :	401 :	0 :	0 :	0 :	0
French Indochina.....	22 :	6 :	16 :	0 :	0 :	0
Indonesia.....	2/ :	5 :	22 :	27 :	19 :	9
Japan.....	1,142 :	585 :	1,005 :	678 :	520 :	459
Korea, Republic of.....	4/ :5/	48 :	96 :	170 :	105 :	60
Taiwan (Formosa).....	4/ :	1 :	110 :	120 :	80 :	73
Australia.....	9 :	7 :	45 :	52 :	37 :	17
Other countries.....	21 :	46 :6/	68 :7/	73 :	48 :	56
Total 500-lb. bales.	5,589 :	4,065 :	3,914 :	3,585 :	2,741 :	1,192
Total running bales.	5,300 :	3,917 :	3,761 :	3,447 :	2,637 :	1,136

1/ 4-year average. 2/ Less than 500 bales. 3/ Includes Greece 21.

4/ If any, included in "Other countries." 5/ 3-year average. 6/ Israel 12, Ethiopia 11. 7/ Israel 20, French Morocco 11.

ARGENTINA EXPECTS EXPORTABLE SURPLUS  
OF EDIBLE OILS THIS YEAR

Argentina may have an exportable surplus of edible oils amounting to about 110,000 short tons this year following three years of imports necessary to supplement domestic production. Harvesting of oilseeds is not complete, however, and some damage to the crops by heavy rains is reported.

Major increases in the support prices for sunflower seed and peanuts were chiefly responsible for the considerable gain in the area sown to these two commodities.

Purchases of cottonseed oil from the United States since late 1954 have totaled 165,000 tons. Public Law 480 sales account for 110,000 tons of which 38,580 tons is still to be delivered. Normal domestic consumption of edible oils is about 226,000 tons per year. This year, however, an additional 55,000 tons probably will be used to replenish stocks which have been almost exhausted during the last few months. Although there normally is a strong preference for sunflower seed oil, it is probable that the government will require that the imported cottonseed oil, which cannot by agreement be transshipped, be consumed first. Exports of the three major edible oils are still prohibited, but members of the trade expect permits to be granted later this year.

The area sown to the current sunflower seed crop is now officially estimated at 3,410,000 acres, nearly a 150 percent increase from the area sown for last year's crop. This significant jump back to the 1945-46--1954-55 average of 3,276,000 acres resulted largely from a series of recent raises in the official support price for sunflower seed. The official price for the 1954-55 crop of 60 pesos per 100 kilos was less profitable to producers than certain competing crops. In view of the severe over-all decline in edible oils production, a delivery bonus plan for sunflower seed was announced last September increasing the official maximum price to 90 pesos. This guaranteed price was raised the following month to 100 pesos and later to the present price of 130 pesos. First returns from the current harvest are selling for 141 to 143 pesos on the open market. If the National Grain and Elevators Institute (INGE) buys sunflower seed from farmers at the support level, processors must pay INGE an additional 10 percent handling and storage charge over the minimum price.

The seed yield from early planted sunflower is reportedly heavy, but later sowings have been retarded by cool weather and damaged by "isoca". Early trade forecasts of a harvest of over a million tons are now believed to be overly optimistic and the total seed yield may not be more than about 825,000 tons. Assuming production of this quantity, deducting 27,000 tons for seed needs and shrinkage, and assuming the balance is crushed with a 25-percent oil yield, there should be around 200,000 tons of sunflower seed oil available plus a small carryin of pipeline stocks.

Table 1 - ARGENTINA: Sunflower seed oil, supply  
and distribution, annual 1954-56  
(1,000 short tons)

	1954	1955	1956
<u>Supply</u>			
Carryin January 1.....	11	11	6
Production.....	86	83	198
Total supply.....	97	94	204
<u>Distribution</u>			
Domestic consumption.....	84	88	72
Exports.....	2	-	) 132
Carryout December 31.....	11	6	) 132
Total distribution....	97	94	204

Source: Unofficial estimates. Subject to revision.

The area planted to peanuts in 1955-56 was a record 497,000 acres, or over one-fourth larger than in the previous crop year. As in the case of sunflower seed, the increase resulted from a boost in the support price of previous years. The official minimum price to producers for peanuts last year was 100 pesos per 100 kilos of shelled peanuts to which a delivery bonus of 10 pesos was later added. The official support price for 1955-56 peanuts was first announced at 140 pesos and then increased to the present level of 180 pesos. Processors must pay an additional 10 percent over that price for purchases from INGE. In early May peanuts were quoted on the market at from 209 to 211 pesos.

Table 2 - ARGENTINA: Peanut oil, supply  
and distribution, annual 1954-56  
(1,000 short tons)

	1954	1955	1956
<u>Supply</u>			
Carryin January 1.....	50	17	11
Production.....	60	38	51
Total supply.....	110	55	62
<u>Distribution</u>			
Domestic consumption.....	91	44	44
Exports.....	2	-	) 18
Carryout December 31.....	17	11	) 18
Total distribution....	110	55	62

Unofficial estimates. Subject to revision.

The first official estimate of the new peanut crop is 177,500 tons but the trade is still forecasting a harvest of 220,000 tons. Normal domestic needs are about 33,000 tons a year. Assuming a yield of 35 percent the new crop at the official estimate should yield about 51,000 tons of oil. There was a small carryin of peanut oil on January 1 at the wholesale and retail level of about 11,000 tons (mixed with cottonseed oil) making the total available for this marketing year about 62,000 tons. Of this about 44,000 tons probably will be consumed locally. There have been no exports of peanut oil since 1954 and none had been authorized as of early this month (May).

Private forecasts of new-crop lint cotton vary up to 138,000 tons from an officially estimated record area planted of 1,476,000 acres. Frequent rains during the last month, however, have damaged the crop and hampered picking. If the inclement weather continues, the final total yield will be no more than the 1954-55 crop of 125,000 tons of lint. The trade expects about 270,000 tons of cottonseed this year of which about 242,500 tons is available for crushing. The normal oil yield is 11 percent.

Table 3 - ARGENTINA: Cottonseed oil, supply  
and distribution, annual 1954-56  
(1,000 short tons)

	1954	1955	1956
<u>Supply</u>			
Carryin January 1.....	6	22	22
Production.....	33	56	28
Imports.....	22	55	88
Total supply.....	61	103	138
<u>Distribution</u>			
Domestic consumption.....	39	81	66
Exports.....	-	-	
Carryout December 31.....	22	22	} 72
Total distribution.....	61	103	138

Source: Unofficial estimates. Subject to revision.

Cottonseed is not under a government support price. Current prices to producers are about 600 pesos per metric ton on railcars or trucks in the producing zone compared with 420 pesos same basis last year. A further price increase of over 50 pesos is expected shortly.

Public Law 480 purchases of cottonseed oil from the United States for delivery this year totaled 88,000 tons. About 40,000 tons had been shipped by mid-May. The remainder is to be shipped by October 31.

New prices for edible oils within the Greater Buenos Aires area have been announced recently by the Government and are as follows: Sunflower, peanut and cottonseed oils, whether mixed or pure, per liter, unbottled, 5.60 pesos wholesale and 5.90 pesos retail; one and one-half liter bottles, not including the price of the bottle, 9.10 pesos wholesale and 10.20 pesos retail; in five liter tins, including the price of the tin, 32.00 pesos wholesale and 34.60 pesos retail. Exports of these edible oils continue to be prohibited.

#### ARGENTINE FLAXSEED, LINSEED OIL SUPPLIES LOW

Argentina's 1955-56 flaxseed crop is officially estimated at only 9,094,000 bushels, the smallest harvest in 39 years. This harvest is 43 percent less than in 1954-55. Only 1,681,000 acres were sown for 1955-56 compared with the average during the preceding 10-year period of 2,952,000 acres. The decline in production is attributed in the main to loss of important overseas outlets, lack of price incentives for producers, and an increase of various blights. The crop this year, for example, suffered a heavy infestation of "isoca". To revive interest in this previously important earner of foreign exchange, the Government has increased the floor price for flaxseed from 75 to 140 pesos per 100 kilos.

Table 1 - ARGENTINA: Flaxseed supply and distribution,  
1953-54, 1954-55 and 1955-56  
(1,000 bushels)

	1953-54	1954-55	1955-56
<u>Supply</u>			
Opening stocks, December 1...: 1/	2,564	2,409	2/ 787
Production 1/.....:.....	16,141	15,944	9,094
Imports.....:.....	-	-	-
Total supply.....:.....	18,705	18,353	9,881
<u>Distribution</u>			
Exports.....:.....	433	-	-
Crushings 2/.....:.....	12,418	14,101	6,515
Seed and waste 3/.....:.....	3,445	3,465	2,972
Ending stocks, November 30...: 1/	2,409	2/ 787	394
Total distribution.....:.....	18,705	18,353	9,881

1/ Official. 2/ Residual and/or unofficial estimate. 3/ Based on 1 ton seed per 10 hectares (25 acres) plus 3 percent of total availability deducted for shrinkage and waste.

Compiled from trade and official data.

Total availability of linseed oil this year included carryin stocks of only 90,000 tons (unofficial estimate) of which less than 65,000 tons remains for export after deducting domestic needs.

To March 1, there had been exported 11,661 tons. Although 5,947 tons were shipped to the Netherlands, probably the bulk of that volume was for transshipment. Other shipments were as follows: United Kingdom, 3,307 tons; Italy, 1,531; France 738; and Belgium, 138 tons. Export permits on alkali refined linseed oil are now being granted by the National Grain and Elevators Institute (INGE) at a minimum of \$343.45 per ton (raised this month from \$302) for which the shipper received the official exchange rate of 18 pesos per dollar less 10 percent for the National Recovery Fund. Any amount the shipper received over the minimum can be exchanged at the free market rate which is currently about 38 pesos per dollar.

Table 2 - ARGENTINA: Linseed oil supply and distribution, annual 1954, 1955 and 1956  
(1,000 short tons)

	1954	1955	1956
<u>Supply</u>			
Opening stocks, January 1....:	270	100	30
Production.....	114	130	60
Total supply.....	384	230	90
<u>Distribution</u>			
Domestic consumption.....:	28	27	27
Exports.....	256	173	
Ending stocks, December 31...:	100	30	63
Total distribution.....:	384	230	90

Compiled from trade and official data. This table has been completely revised in view of more accurate information now available. The data, however, are subject to further revision as new official information becomes available.

Table 3 - ARGENTINA: Exports of linseed oil by destination, 1955  
(Short tons)

Destination	Quantity	Destination	Quantity
The Netherlands.....:	31,413	Austria.....:	1,482
France.....	6,976	Switzerland.....:	1,008
Italy.....	44,907	U.S.S.R.....:	42,049
Germany.....	2,049	South Africa.....:	1,054
Denmark.....	1,027	Unspecified 1/.....:	41,527
		Total.....:	173,492

1/ It is believed that the bulk of this oil eventually went to the U.S.S.R.

CUBA'S VEGETABLE OIL IMPORTS  
EXPECTED TO BE UP IN 1956

Imports of vegetable oils into Cuba in 1956 are expected to be slightly higher than the 19,870 short tons imported last year. The 1955 total itself was up about 11 percent over 1954, largely because of a generally improved economic situation which raised consumer purchasing power, and also because of the lower prices for which imported oils could be landed in Cuba.

The following table shows a breakdown of 1955 imports as compared with a similar breakdown of the 1954 total:

CUBA: Vegetable oil 1/ imports by kind, annual 1954 and 1955  
(Short tons)

Item	:	1954	:	1955
	:		:	
Olive oil.....	:	8,338	:	10,161
Soybean oil.....	:	2,849	:	3,268
Coconut oil.....	:	3,811	:	3,674
Cottonseed oil.....	:	2,804	:	2,460
Others.....	:	108	:	307
Total.....	:	17,910	:	19,870

1/ Includes both edible and inedible.

Source: Cargo manifests.

In 1955 the bulk of the olive oil imports originated in Spain, while all of the soybean, cottonseed, and edible coconut oils came from the United States. The remainder, or approximately one-third of the coconut oil, was imported from the Philippines.

As shown in the above table, olive oil continues to be imported in largest quantity. It is used for cooking purposes and salad dressing and is decidedly preferred by the consumer above all other vegetable oils. Chiefly because of lower prices in 1955 imports were up 22 percent from the previous year. In 1956, however, assuming a higher price for olive oil due to lower world production, it is quite likely that olive oil imports will fall off somewhat, and be replaced by larger imports of other vegetable oils.

Competition from imported vegetable oils is reported to have reduced the market for domestic peanut oil and caused a decline in production. During 1954 and 1955 olive oil wholesaled at or below the price for peanut oil with the resulting decline in sales of the latter. Peanuts are the only crop grown for vegetable oil production in Cuba, but the high cost of producing peanut oil does not permit a reduction in price to competitive levels.

In 1955 approximately 45 percent of the 7,700 tons (unshelled) produced were crushed for oil. These crushings, which produced almost 1,000 tons of oil, were considerably above the low year of 1954, but still well below the average of immediate past years. Anticipating some improvement in the marketing situation, crushers reportedly are expecting peanut oil production to be up slightly in 1956. Peanut production has been unofficially forecast at 5 percent higher.

Although several processors in Cuba are equipped for refining crude vegetable oils, trade sources report that, at current prices, it is generally more profitable to import the refined oils. It is estimated that in 1955 only about 1,100 tons of crude oils, cottonseed and soybean, were imported for refining locally.

During the last year, several companies, interested in establishing plants for the hydrogenation of vegetable oils, have petitioned the Cuban Government for import-duty exemption and other tax benefits which can be granted to a new industry under existing legislation. One company, which had obtained such a concession previously, succeeded in having the validity upheld in a court decision. Shortly after the court decision, however, the press reported that the Government had revoked the concession. By such action, it is apparent that the present Government policy is to oppose the granting of tax concessions to manufacturers of vegetable shortening. While such concessions would probably increase the market for United States vegetable oils in Cuba, it would undoubtedly decrease lard sales.

#### PHILIPPINE COPRA EXPORTS UP SHARPLY IN APRIL

Philippine exports of copra in April totaled 88,072 long tons. This is an increase of almost one-fourth from the previous month and 58 percent more than the volume shipped in April 1955.

The breakdown of the April 1956 copra exports by country of destination is as follows: United States--29,307 tons (Atlantic-- 6,605, Pacific-- 22,702); Belgium-- 3,000; Denmark-- 1,650; Western Germany-- 2,000; the Netherlands-- 25,000; Sweden-- 8,800; Europe unspecified-- 1,450; Lebanon-- 2,200; Columbia-- 7,300; Venezuela-- 3,565; and South America unspecified-- 3,800 tons.

April exports of coconut oil amounted to 8,985 tons compared with 9,988 tons in March and 6,005 in April 1955. Shipments were as follows: United States-- 5,653 (Atlantic); Cuba-- 299; Western Germany-- 908; the Netherlands 1,247; and Europe unspecified-- 878 tons.

On a copra equivalent basis, exports of copra and coconut oil January through April of this year totaled 362,553 tons, or 38 percent more than the 262,832 tons exported in the same months of 1955.

The copra export price in mid-May was \$167.50 per short ton c.i.f. Pacific Coast. Local buying prices were 26.50 to 29.50 pesos per 100 kilograms (\$134.63 to \$149.87 per long ton), resecada, in Manila and producing areas.

JAPANESE IMPORTERS CONTRACT FOR  
CHINESE SOYBEANS AT INCREASED PRICE

Nineteen Japanese importers on May 14 contracted with Communist China for 15,000 to 23,000 metric tons (551,150 to 845,000 bushels) of soybeans for June/July shipment at a price reported to be equivalent to \$147.90 per metric tons, c.&f. Japan. This is the highest price asked by the Chinese in recent months. On April 4, importers purchased 60,000 tons (2.2 million bushels) at the equivalent of \$115.70 c&f. April and June delivery and on April 17, 10,000 tons (367,400 bushels) at the equivalent of \$126.90 per ton c.&f. for May/June delivery.

Trade sources indicate that the Chinese price was raised in view of the upward trend of prices for United States soybeans. Offers of United States beans c.&f. Japan were said to have been \$126.25 per metric ton on April 4 for May delivery and \$150.35 on May 10 for July delivery.

The beans to be shipped from China under the latest contract are reported to be meant exclusively for direct consumption.

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